

EXECUTIVE SUMMARY

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This Assessment was commissioned by the Advisory Committee on Voluntary Foreign Aid (ACVFA), a federal advisory committee established by Presidential Directive after World War II to serve as a link between the U.S. government and private voluntary organizations (PVOs¹). J. Brian Atwood, Administrator of the U.S. Agency for International Development (USAID), appointed the current Advisory Committee in February 1994 and reappointed the Committee through June 1997 early in 1996.

A team of consultants and USAID staff undertook the Assessment at the end of the current Advisory Committee members' term with the oversight of a joint ACVFA/USAID Steering Committee, in order to **record achievements in the USAID/PVO partnership over the past several years and to highlight issues that warrant attention in the future.** The study is intended to serve as a guidepost for officials and staff of USAID, for the next ACVFA, for the private voluntary community, and for others concerned with public-private collaboration in U.S. overseas development and humanitarian assistance programs.

In addition to a review of the extensive printed record on this subject and relevant procurement data, the Assessment drew upon survey responses from approximately one-third of all USAID-registered PVOs and from more than 60% of USAID Missions, as well as in-depth

interviews with 136 USAID, PVO and NGO staff in the United States and in seven countries where USAID, PVOs, and NGOs collaborate.

The USAID/PVO partnership has deep roots, extending back many decades when PVOs first emerged as leaders in disaster relief. Over the years, the nature of the partnership has changed significantly, as PVOs have broadened their efforts from relief and emergency food distribution to development programs designed to address the root causes of poverty and vulnerability to disasters. The transition from short-term relief to longer-term development programs, coupled with substantially increased PVO organizational capabilities, has greatly strengthened USAID/PVO cooperation over the past two decades.

This Assessment has found that the USAID/PVO partnership is significantly stronger today than it was four years ago. USAID and the PVO community now share a more common development agenda, have engaged in constructive dialogue on foreign assistance programs, and have worked together to resolve administrative barriers to a more collaborative relationship. These achievements are particularly noteworthy given the stresses on the relationship and the entire development community resulting from the greatest pullback in U.S. foreign assistance since the Marshall Plan.

¹ Throughout this report, PVO will refer to U.S. private voluntary organizations and cooperative development organizations. NGO will refer to indigenous non-governmental organizations in countries receiving foreign assistance.

Other changes in the context for the USAID/PVO partnership have included: the reengineering of Agency systems and procedures, guided by four core values of customer focus, teamwork, results orientation, and empowerment and accountability; the proliferation of indigenous NGOs; and the growing technical and operational capacity of PVOs, many of which are undergoing profound organizational change from service delivery to capacity building of indigenous NGOs.

Concurrent with these changes, a number of significant actions have been undertaken by USAID and PVOs with a view toward strengthening the USAID/PVO partnership. Among the most important of these were: 1) increased and more productive consultations; 2) in consultation with PVOs, revision for the first time since 1982 of the USAID Policy Guidance on the USAID-U.S. PVO Partnership, including revision of the guidance on PVO cost-sharing to require greater flexibility; 3) as recommended by the Advisory Committee, USAID issuance of new policies for the award of assistance instruments,² including new guidance on USAID substantial involvement in cooperative agreements; 4) instituting other procurement reforms, e.g., simplified approval of international travel and personnel policies; 5) streamlining the PVO and local NGO registration process; 6) Agency-wide staff involvement in the

design and implementation of the new Gender Plan of Action, developed in consultation with ACVFA and 6) conceptualization and piloting of the New Partnerships Initiative, again with significant PVO and ACVFA involvement.

Neither the broad PVO community nor all USAID staff are fully aware of these actions, nor have PVOs yet benefited from them as fully as intended. One of the most important findings of the Assessment is that **reforms affecting the USAID/PVO partnership are not yet being implemented consistently**. Thus, ACVFA recommends that the Agency, PVO community and next Advisory Committee focus greater attention on improved communication and implementation of these and other USAID reforms. Additional findings include the need for: a greater degree of understanding between USAID and PVOs of country priorities, including those to be embodied in Strategic Partnerships in non-presence countries; improved consultation between USAID and PVOs; new policy guidance on how consultation affects procurement integrity; and stronger institutional commitment to, and support for, development education and public outreach on the part of both USAID and PVOs.

Other challenges identified by the Assessment include: the need for more transparent USAID data on PVO funding lev-

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² Assistance instruments are grants and cooperative agreements made to PVOs, NGOs, universities and other not-for-profit entities (who may also compete for contracts). USAID makes assistance awards to recipients for the implementation of their programs. In contrast, contracts are used for the acquisition of property or services for the direct benefit or use of USAID.

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els and trends; improving USAID's relationship with smaller PVOs; and the need for more purposeful attention by all actors to PVO and NGO program sustainability and financial independence.

The Assessment concludes with ACVFA suggestions on future priorities for USAID leadership, PVOs and the next Advisory Committee. Most important is **to build on the impressive achievements of the past few years and stay the course on reforms, while shifting attention to communication of the substance of these reforms and to consistent Agency-wide implementation of intended practices.**

Second, USAID should develop and disseminate models and train staff on performance-based assistance instruments. Third, USAID should focus more intentionally on the need for local NGO strengthening, and on its impact on the USAID/PVO partnership. USAID and PVOs should capitalize on their past collaboration in building civil society across development sectors, and ACVFA should continue to engage the Agency on this topic. Fourth, USAID should document and disseminate USAID/PVO partnership "best practices," including examples of USAID/PVO collaboration to strengthen local NGOs. All three communities should participate in developing appropriate capacity building indicators.

Fifth, USAID and its PVO partners should establish key indicators for

progress in the USAID/PVO partnership based upon procurement trends and other measures agreed to by USAID and PVOs. Sixth, USAID should finalize policies and practices for Strategic Partnerships in non-presence countries. Seventh, education and outreach to the U.S. public on international development and foreign assistance should assume greater preeminence in the USAID/PVO partnership, and USAID and PVOs should collaborate more purposefully in this area of mutual interest and responsibility. Eighth, ACVFA should engage more broadly with USAID staff and PVOs in the United States and in the field.

Finally, ACVFA has a note of caution to express about the future course of the USAID/PVO partnership. As this Assessment has documented, although the overall picture and trends are positive, there are external and internal pressures that work against "partnership," particularly pressures that unwittingly encourage USAID to give preference to contract mechanisms and relationships. The pressure for short-term results in a long-term business; for USAID-initiated activities, rather than joint or PVO-initiated activities; the substantial reductions in both financial resources and in USAID direct-hire staff all could—but need not—work against partnership relationships. USAID and PVOs, and ACVFA, should monitor this issue closely in the coming months and years.